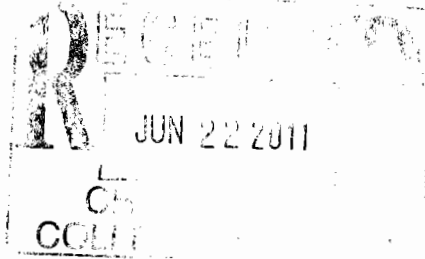


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June 22, 2011

The Honorable Colleen McMahon  
United States District Judge  
Southern District of New York  
500 Pearl Street, Room 14C  
New York, New York 10007



MEMO ENDORSED

SEC v. Kelly, et al., No. 1:08-cv-4612 (CM)

Dear Judge McMahon:

Defendant J. Michael Kelly submits this letter, with the consent of all parties, to advise the Court that the Securities and Exchange Commission ("SEC") Division of Enforcement and Mr. Kelly have reached an agreement in principle to resolve the above-referenced matter. The settlement is subject to the review and approval of the five Commission members.

In light of these developments, Mr. Kelly respectfully requests an extension, up to and including August 15, 2011, for the parties' submission of the joint pre-trial order, which is currently due on July 1. Such an extension would allow time for the Commission to decide whether to approve the proposed settlement. In addition, settlement between the SEC and Mr. Kelly likely will substantively impact the pre-trial order and an extension of time will allow the SEC and the remaining defendants to modify the draft pre-trial order accordingly. Similarly, in the event the settlement is not approved by the Commission members, an extension up to and including August 15 will provide Mr. Kelly an opportunity to participate in the finalization of the joint pre-trial order.

Respectfully submitted,

*Bruce E. Yannett / jay*  
Bruce E. Yannett

cc: John D. Worland, Esq.  
John Bowers, Esq.  
U.S. Securities and Exchange Commission

Stephen G. Topetzes, Esq.  
K&L Gates LLP

Patrick Linehan, Esq.  
Steptoe & Johnson LLP

USDS SDNY
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6/23/2011  
OK - but I  
will NOT allow any  
further  
extension  
in  
this  
3 year  
old  
case!

*Colleen McMahon*

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Date June 22, 2011  
To U.S. District Court for the Southern District of New York  
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**Facsimile**  
pages including cover page

**For assistance or confirmation please call 202 383-8000**

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